

WORKGROUP #3

Committee on Improving Judicial Oversight and Processing of Probate Court Matters
May 5, 2011 v1.0

Form 5. CONSERVATOR'S ACCOUNT WITH BUDGET [UNFINISHED]

Name of Person Filing Document: _____
Address: _____
City, State, Zip Code: _____
Telephone Number: _____
Attorney Bar Number (if applicable): _____
Licensed Fiduciary Number (if applicable): _____
Representing Self or Attorney for: _____

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF «COUNTY»

IN THE MATTER OF THE
CONSERVATORSHIP FOR

«Protected Person's Name»,

- ☐ a Minor
☐ an Adult

NO. «CaseNo.»

CONSERVATOR'S ACCOUNT
☐ WITH PROPOSED BUDGET

(Assigned to the Honorable
«Judicial Officer»)

REQUIRED ATTACHMENTS, which are to be attached in the following order:

- ☐ SCHEDULE 1: Statement of Income and Expenditures
- ☐ SCHEDULE 2: Updated Inventory & Reconciliation
- ☐ RECENT BANK STATEMENT for each bank account.
- ☐ Supporting Detail required for SCHEDULE 1
- ☐ Supporting Detail required for SCHEDULE 2
- ☐ TRANSACTION LOG, detailing all financial transaction during the reporting period, reported by category.

1. Identify any assets that will be liquidated prior to the next Conservator's Account:

Form 5. Continued

WARNING TO RECIPIENT OF THIS REPORT: THE CONSERVATOR'S ESTIMATES AND ANALYSIS OF AVAILABLE ASSETS, LIABILITIES, ANNUAL EXPENDITURES, ANNUAL INCOME AND PROJECTED LIFESPAN OF THE PROTECTED PERSON ARE A GOOD FAITH ESTIMATE BASED UPON THE INFORMATION THAT IS REASONABLY AVAILABLE TO THE CONSERVATOR CONCERNING THE SUBJECT PERSON. THIS INFORMATION IS PROVIDED FOR THE LIMITED PURPOSE OF ASSISTING THE COURT IN ITS OVERSIGHT OF THIS CONSERVATORSHIP. OTHER PERSONS SHOULD NOT RELY ON THIS INFORMATION BUT SHOULD REACH THEIR OWN CONCLUSIONS.

2. What is the Conservator's estimate of the projected remaining lifespan of the subject person?

_____ years

As required by Rule of Probate Procedure 30.3, disclose and explain whether the Conservatorship is Sustainable for the Projected Lifespan of the Protected Person, including fully disclosing any assumptions. Sustainability is defined to occur when the following equation is true:

$$\frac{(\text{«Available Assets»} - \text{«Liabilities of the Estate»})}{(\text{«Annual Expenditures»} - \text{«Annual Income»})} \geq \text{«Projected Lifespan»}$$

3. Is this Conservatorship sustainable for the projected lifespan of the subject person:

☐ True, Sustainable

☐ False, NOT Sustainable

4. If the Conservatorship is NOT sustainable, describe the management plan for the Conservatorship, since the Assets of the Conservatorship are insufficient to meet the Projected Lifespan of the Protected Person:

Form 5. Continued

CONSERVATOR'S ACKNOWLEDGEMENT

I, the undersigned, acknowledge that I have read this Conservator's Account and Budget and, after reasonable inquiry, have a good faith belief that the information in this report is true, accurate and complete to the best of my knowledge and belief.

<<Conservator Name>>

<<Date>>

Form 5. Continued

INSTRUCTIONS FOR FORM 5

These instructions are intended to assist the conservator in meeting the obligation to file reports with the Court. All references to "you" refer to the conservator.

Generally, each approved conservator's account and approved budget covers a one year period, such that each reporting period is referred to as a year. However, a reporting period may cover a different period of time, either longer or shorter than a year, if ordered by the Court, depending on the circumstances of each individual case.

Form 5 consists of the printed form and certain required attachments, including two required schedules, specifically SCHEDULE 1: Statement of Income and Expenditures, and SCHEDULE 2: Updated Inventory and Reconciliation. You should complete both required schedules prior to completing Form 5, because this form refers to information that is computed on the required schedules.

SCHEDULE 1: Statement of Income and Expenditures

You may be required to use all of the columns in SCHEDULE 1 or just some of the columns, depending if the report covers a new or existing conservatorship and whether the Court requires an operating budget.

Complete Column A if you filed a SCHEDULE 1 last year; this information is presented for comparison purposes only, and can be copied directly from Column C of last year's SCHEDULE 1, including the starting and ending dates. If the conservatorship was in existence last year, but you were appointed as a successor conservator and this is your first conservator's account, you are not required to use Column A to report the activity of the preceding conservator.

Under certain circumstances, the Court will require you to prepare a budget; and if the Court requires a budget, you must report the approved budget for the year just ended in Column B. Please note: if the budget was amended during the year, report the final amended budget, and you will describe the history of amendments on Form 5.

Complete "Column C" to report the conservator's account for the year just ended. This is the column where the actual income and expenditure for the year just ended.

If you are required to complete Columns B and C, then you will also compute Columns D and E

to show the dollar amount and percent of deviation, respectively, from the approved budget as compared to the actual results. The mathematical calculation is shown in the header to Columns D and E.

Complete Column F if the court requires a budget for the year that is just beginning. This is where you present to the court a budget for income and expenditures in the coming year. If you were recently appointed as conservator and the court has directed you to file a first budget, you will do this by only completing Column F on SCHEDULE 1.

Finally, if you are required to complete Columns C and F, then you will also compute Column G to show the dollar amount changes you are presenting in the budget as compared to last year's actual results. The mathematical calculation is shown in the header to Column G.

Once you have determined which columns of SCHEDULE 1 you are required to complete, please complete each row as follows:

Line 1: Enter the start date for each period. *For example, if a conservatorship files an account and budget each August 15 to cover the period from July 1 to June 30, Columns B and C will have a start date July 1 of last year, Column F will have a start date of July 1 of this year, and Column A will have a start date of July 1 of two years ago.*

Line 2: Enter the end date for each period. *Using the preceding example, the end date is June 30 one year later than the start date.*

Please note: transactions are recognized on SCHEDULE 1 when income is received or expenditures are paid by the conservatorship. In accounting terms, this report is prepared on a cash basis: you recognize income and expenditures when money effectively changes hands.

For example, if a cost is incurred but not paid before the end of a reporting period, the cost is not an expenditure until paid in a future reporting period; any unpaid bills are listed with liabilities on SCHEDULE 2.

Income does NOT include distributions from tax deferred investments, such as IRA accounts; distribution or transfer of funds from one account to another is not income but simply a movement of assets between accounts and is reported on SCHEDULE 2.

Line 3: Enter all income that is received as a result of retirement or disability, including but not limited to Social Security, Railroad Retirement, Pension Benefits, Social Security Disability, Supplemental Security Income, and worker's compensation benefits.

Line 4: Enter all income that is received from annuities, structured settlements or trust income that is not already included in Line 3.

Line 5: Enter all earned income and wages of the protected person that is not included in Lines 3 or 4.

Line 6: Enter all investment and business income, including but not limited to interest and dividends that is not included in Lines 3, 4 or 5.

Line 7: Enter any other income that is not included in Lines 3 through 6, and attach a detailed statement explaining the other income and identifying whether it is recurring and for what duration.

Line 8: Add lines 3 through 7 in each column to calculate the Total Income.

Line 9: Enter the non-discretionary housing, food and care expenditures on behalf of the protected person, including but not limited to the recurring base fees to a care facility, required companions or care providers, food, clothing, toiletries, utilities, and household expenses (including home mortgage payments).

Line 10: Enter all of the medical costs of the protected person that is not included on Line 9, including but not limited to medical, dental, optical, hearing, prescription and non-prescription medicines, insurance premiums and co-pays.

Line 11: Enter all tax expenditures that are not otherwise included on Lines 9 or 10. Sales taxes are NOT separately reported from the underlying expenditure.

Line 12: Enter the amount of funds that are released directly to the protected person and managed by the protected person. You do NOT report the expenditure of dignity funds on SCHEDULE 1.

Line 13: